(b) if so, the details thereof; and

(c) whether the formulation is fraught with dangers, giving unfettered powers of control of public undertakings to the bureaucracy and eliminating their accountability to Parliament; if not, what checks are contemplated on such powers and to ensure accountability?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) No, Sir.

(b) and (c) Do not arise.

Austerity in Government Expenditure

1774. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued instructions to every Ministry, Pubic Sector Undertaking and Government Department to curb wasteful expenditure;

(b) if so, what are the guidelines prescribed for them; and

(c) the details of the austerity measures proposed to be adopted by Government?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The exercise of curbing wasteful expenditure in Government is a continuing one and instructions in this regard are issued and reiterated from time to time. The latest guidelines on expenditure management, fiscal prudence and austerity issued in August 1998 broadly envisage the following:

(1) Budget formulation should lay greater emphasis on explicit recognition of the constraint of resources and a realistic projection of the allocations required and budgetary ceilings should be rigidly adhered to.

(2) Unauthorised expenditure over and above the appropriations should be severely dealt with and responsibility fixed.

(3) Implementation of various schemes should be oriented towards achieving the end-objectives rather than merely incurring expenditure to avoid savings and surrenders.

(4) Better control over release of funds to autonomous bodies based on actual utilisation of funds already provided and their absorptive capacity.

(5) Reduction of establishment expenditure to the maximun possible extent.

(6) Postponement of all avoiadable seminars, conferences, workshops, etc.

(7) Restrictctions on foreion visits on study tours and for attending workshops, seminars, conferences, etc. funded by the Government.

(8) Imposition of a 10 per cent cut on non-salary items of non-plan expenditure, viz. Travel Expenses, Office Expenses, Petrol, Oil and Bubricant, Overtime Allowances, Honorarium, etc.

Loan to SC/STs

1775. SHRI GANDHI AZAD: Will the Minister of FINANCE be pleased to state:

(a) what is the number of SC/ST persons to whom loan has been advanced by the Nationalised Banks till October, 1998; and

(b) the percentage of the loan advanced to the SC/ST persons as a whole by the Nationalised Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) As per the latest data available from Reserve Bank of India (RBI), under priority sector, public sector banks have advanced Rs. 6849.65 crore in 94.50 lakh accounts of Scheduled Castes and Scheduled Tribes as on the last Friday of March 1998, constituting 7.5 per cent of the total priority sector advances of these banks.

SC/ST employees in Banks

1776. SHRI GANDHI AZAD: Will he Minister of FINANCE be pleased to state the posted strength of SC/ST employees in each A, B, C and D category in all the Nationalised banks and the details of backlog, if any?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): The posted strength and backlog of SC/ST employees cadre wise reported by the 9 nationalised banks as on 30.6.1998 is given under:—

	Posted Strength		Back log	
Cadre	SC	ST	SC	ST
Officers	19,664	7,035	149	106
Clerks	43,806	11,638	601	835
Sub-staff	33,419	7,273	366	664

Income tax exemption for new industries in North-East

1777. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to give Income Tax exemption for a period of ten years to new industries to be set up in the North-East;

(b) if so, when was such a decision taken; and

(c) by when Government propose to notify such exemption?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) Yes. On 20th December, 1997 the Government of India approved a new industrial policy and other concessions for the North-East. Under the new industrial policy, the Cabinet has approved for converting the growth centres and I.I.D.Cs into a total tax free zone for the next ten years. All industrial activity in these zones would be free from income-tax for a period of ten years from the commencement of production.

Similar benefits would also be extended to the new industrial units or their substantial expansion in other growth centres or I.I.D.Cs or industrial estates/ parks/export production zones set up by the States in the North-Eastern region.

(c) Under the existing provisions, a ten year two tier tax holiday benefit under section 80 IA is available to the units set up in industrially backward States including the North-East States. Under the provision, 100% deduction from profits in the first five year and 30% of the profits in the subsequent five years for units set up before 31.3.2000 is allowed.

Under Section 10A and section 10B of the Income-tax Act, tax holiday for five years is allowed to units located in free trade zones and export oriented units. These can be availed of by such units in the North-East region.

Amendment to the Income-tax Act would be required to give effect to policy decisions for industrial units in the North-East. The details of growth centres/ IIDCs/Estates/Export Promotion Zones set up by the States in the region is being obtained for making suitable changes in the statute. These are under consideration as part of 1999-2000 budgetary exercise.